

DEPARTMENT OF THE NAVY  
HUMAN RESOURCES SERVICE CENTER NORTHEAST

## EMPLOYEE BENEFITS UPDATE 01-03

Subject: Thrift Savings Plan Changes Occurring May 2001

DATE: 19 April 2001

This is to notify you of major changes in the Thrift Savings Plan that will be effective May 1, 2001:

- Two new investment funds (I and S)
- Earlier participation dates for new employees
- Election and Allocation changes (new TSP-1 and TSP-50 forms)
- Increased employee contribution limits

### **TWO NEW INVESTMENT FUNDS**

Effective May 1, 2001, two new investment funds (I and S funds) will be added and employees will now have five investment funds available for allocations: the International Stock Index Investment (I) Fund and the Small Capitalization Stock Index Investment (S) Fund have been added to the Government Securities Investment (G) Fund, the Common Stock Index Investment (C) Fund, and the Fixed Income Index Investment (F) Fund.

- **Common Stock Index Investment (C) Fund** – invested primarily in the Barclays Equity Index Fund that tracks the Standard & Poor's 500 stock index. The fund is designed to track as closely as possible the performance of the S&P 500 index. Performance of the C Fund can be followed by tracking the S&P 500's index (<http://www.standardandpoors.com>).
- **Fixed Income Index Investment (F) Fund** – invested primarily in the Barclays U.S. Debt Index Fund designed to track the Lehman Brothers U.S. Aggregate (LBA) index. The fund is a portfolio of high-quality fixed-income securities. Bond Market Data Bank in the Wall Street Journal should be used to track the performance of the LBA Index.
- **Government Securities Investment (G) Fund** – invested in short-term nonmarketable U.S. Treasury securities specially issued to the TSP.

- **International Stock Index Investment (I) Fund** – invested in the Barclays EAFE Index Fund. This is a commingled fund that tracks the Morgan Stanley Capital International Europe, Australasia and Far East (EAFE) stock index. The EAFE index consists of the stocks of companies in 20 countries representing 46% of the value of the world stock markets and can be followed on <http://www.ms.com/msci> (click on EAFE).
- **Small Capitalization Stock Index Investment (S) Fund** – invested in the Barclays Extended Market Index Fund. This fund tracks the Wilshire 4500 stock index. The Wilshire 4500 index represents approximately 25% of the market value of U.S. stock markets and consists of stocks that are actively traded in U.S. stock markets, except those in the S&P 500. Can be found on <http://www.wilshire.com>.

Additional information on the various funds can be found at the TSP Web site at [www.tsp.gov](http://www.tsp.gov).

## **EARLIER PARTICIPATION DATES FOR NEW EMPLOYEES**

All FERS or CSRS employees appointed before July 1, 2001 will have the opportunity to make a TSP contribution election during this open season. Employees appointed on or after July 1, 2001 will have 60 days from the effective date of their appointments to make TSP contributions elections.

Reminder: If you stopped your TSP contribution on or before January 31, 2001, you may resume your contributions this open season. If, however, you stopped your contributions after January 31, 2001, you may not elect to begin contributing again until the next TSP open season beginning November 15, 2001.

## **ELECTION AND ALLOCATION CHANGES**

Beginning May 1, 2001, TSP allocations and interfund transfers will be handled differently. Employees will now be required to submit all requests for fund contribution allocations/interfund transfers directly with the TSP. The **TSP-1, Election Form**, revision May 1, 2001, will no longer contain fund allocation information. Therefore, commencing May 15, 2001, the TSP-1 can only be used to Start, Change or Stop the amount of your bi-weekly contributions. TSP Election Forms will be available at the TSP's Web site [www.tsp.gov](http://www.tsp.gov), through your activity's Administrative Liaison/HRO Representative, or by contacting the HRSC-NE at DSN 243 or CM 215/408-5619 or 4446, or by e-mailing us at [benefits\\_ne@ne.hroc.navy.mil](mailto:benefits_ne@ne.hroc.navy.mil). Upon completion, TSP-1 forms must be mailed to the Human Resources Service Center NE, Code 51.1, 111 South Independence Mall East, Philadelphia, PA 19106-2598. (Previous editions of the TSP-1 form are obsolete and cannot be used/accepted.)

Effective May 1, 2001, current participants will no longer use the TSP-30, Interfund Transfer Request form to make interfund transfers. This form has been replaced by the **Form TSP-50, Investment Allocation**. Additionally, this TSP-50 form will also be used to designate fund contribution allocations that were previously submitted on the TSP-1.

The TSP-50 form is not available on the Web site since it is designed to be read by an optical scanner. Photocopies of the form cannot be used. Forms will be available through your activity's Administrative Liaison/HRO Representative or by contacting the HRSC-NE at DSN 243 or CM 215/408-5619 or 4446, or by e-mailing us at [benefits\\_ne@ne.hroc.navy.mil](mailto:benefits_ne@ne.hroc.navy.mil).

**Employees are encouraged to use the more efficient electronic media (TSP Web site at [www.tsp.gov](http://www.tsp.gov) or the TSP ThriftLine at 504-255-8777) to request investment changes.** If you use the Web site or the ThriftLine, you will need your Social Security Number and your TSP Personal Identification Number (PIN).\*\*

## **INCREASED CONTRIBUTION LIMITS**

Beginning in July 2001, the employee contribution limits will increase by 1% each year for five years as follows:

<b>Year</b>	<b>FERS Limit</b>	<b>CSRS Limit</b>
2001	11%	6%
2002	12%	7%
2003	13%	8%
2004	14%	9%
2005	15%	10%

In 2006, all contribution limits will be lifted.

**Reminder:** The IRS elective deferral limit on employee contributions for 2001 is **\$10,500**.

## **\*\*TSP PERSONAL IDENTIFICATION NUMBER (PIN)**

Prior to November 1994, the Personal Identification Numbers (PIN) were listed on Participant Statements. If you do not have any statements dating that far back and/or you do not know your PIN, you can request a new one at <http://www.tsp.gov> (click on Account Access) or from the ThriftLine at (504) 255-8777. For new participants: You will receive a letter from the TSP notifying you that your account has been established and assigning a PIN to your account. New participants cannot allocate contributions until receipt of this PIN number.

## **ADDITIONAL INFORMATION**

The booklet, "Summary of the Thrift Savings Plan for Federal Employees," has been revised. All prior versions of the Plan Summary should be discarded. The revised booklet, dated May 2001, describes the TSP and its' major changes in detail. All employees will receive this booklet in the near future.

Specific information concerning the next TSP Open Season (May 15 to July 31, 2001) will be conveyed in a future Employee Benefits Update. If you need additional information about the TSP, visit the TSP Web site at: [www.tsp.gov](http://www.tsp.gov), or contact the HRSC-NE Benefits staff at phone numbers DSN 243 or CM 215/408-5619 or 4446. Hearing impaired employees may call our TDD number at 215/408-5449. You may also e-mail your questions to: [benefits\\_ne@ne.hroc.navy.mil](mailto:benefits_ne@ne.hroc.navy.mil).